

REPORT

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MILITARY EXPENSES HIGH UNTIL LIBERATION COMPLETE;
BANDIT ACTIVITY CONTINUES

EDITOR SEES NO DRASTIC CUT IN MILITARY EXPENDITURES -- Hong Kong Ta Kung Pao,
9 May 50

After many years of inflation, the national economy is becoming stabilized. Liu Shao-chi pointed out in a speech that in 1950 the Central People's government has already invested 700 million US dollars in the various government enterprises. He further stated that if the fighting terminates immediately, commodity and monetary stabilizations will become a fact and that military expenses can be cut.

A drastic reduction of military expenses is a very important step in stabilizing China's economy. This step may be realized only through the willingness of the Chinese people to take on added responsibility. Those in the armed forces have already carried more than their share by giving up their lives on the battle field, struggling through many hardships to gain ultimate victory, and sacrificing their personal happiness that China and her people may be liberated.

At the request of Mao Tse-tung, the soldiers of the People's Liberation Army have joined with the masses to engage in production. As a result, military expenses have already been reduced, but the final reduction cannot come until the whole of China, including Taiwan and Tibet, is liberated. A drastic reduction of military expenses will then become a reality.

CHARGES NONCOOPERATION IN BANDIT SUPPRESSION -- Canton Nan-fang Jih-pao,
9 May 50

The CCP of the Pei Chiang (North River) Military Subdistrict of Kwangtung held a conference between 27 and 31 April 1950 and set bandit suppression as the primary task for the immediate future. In a speech given before the conference, a CCP officer stated that the fulfillment of this mission will not be an easy task since the bandits are widely dispersed in the area. He also mentioned that the people are not fully cooperating with the Communist forces in suppressing the bandits and called upon the conference members to awaken the masses to the importance of this mission.

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YUNNAN KMT GUERRILLAS CONTROL RURAL AREAS -- Hong Kong Hsing-tao, Jih-pao,
20 Jun 50

Taihoku, 19 June -- Although unconfirmed, it is reported that the KMT guerrillas in Yunnan, numbering more than 100,000, now control a large portion of the rural areas in Yunnan and that to date, they have killed more than 10,000 Communist troops. These guerrillas are led by three brothers, Chin Shao-yu (1) /numbers refer to appended characters/, Chin Shao-jung (2), and Chin Shao-kuei (3), who are frequently referred to as the "Three Kings of Yunnan."

The same report further stated that the Communists have retreated into the cities.

ANNIHILATES 300 KMT BANDITS IN KWANGTUNG -- Canton Nan-fang Jih-pao, 9 May 50

During January through April 1950, more than 300 KMT bandits were annihilated in the Ch'ao-chou--Swatow district of Kwangtung. Bandit leaders who were captured included Yeh Hsi (4), Ch'iu Hui-wen (5), and Cheng Wei (6).

Many of those who were captured were first given indoctrination training and later released to permit them to become useful citizens. This policy has proven very successful in counteracting bandit activities and has led to the capture of bandits or discovery of bandit hideouts.

CHARACTERS

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| 1. 金少玉 | 4. 葉希 |
| 2. 金少容 | 5. 丘會文 |
| 3. 金少貴 | 6. 鄭尾 |

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